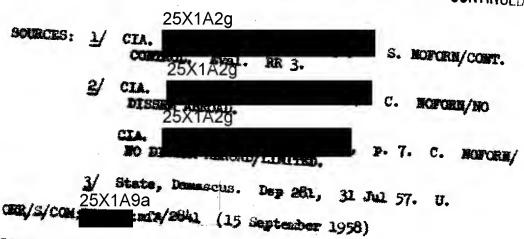
16 September 1958

USSR AND SYRIA DIFFER OVER SYRIAN TELECOMMUNICATIONS DEVELOPMENT

A recent report indicates important differences of opinion as of June 1958 between Soviet experts and the Syrian government over telephone projects to be carried out under the Syro-Soviet Economic Aid Agreement. The Syrians requested Soviet assistance in enlarging and improving urban telephone systems in Damascus and Aleppo. The Soviets, who are interested for strategic reasons in developing east-west telecommunications facilities, believed this unnecessary for the present and proposed instead to expand interurban telephone facilities between major towns and strategic points. 1/ COMMENT: Syrian desires to enlarge and improve telephone systems in Damascus and Aleppo appear to be consistant with announced telecommunications plans. 2/ Soviet opposition to these plans are not consistant with Syrian Acting Defense Minister Azm's statement that the Soviet loan was received "without conditions". 3/ The basic disagreement stems from Syrian wishes to develop telecommunications on an economic basis while the Soviets wish to have them developed on a strategic basis. If the USSR continues its opposition the Syrian government may revise its apparent belief that USSR economic aid has no conditions.

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